

SENATE BILL 3489

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 4 and Title 67, to enact the Transparency
in Government Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, is amended by adding the
following language as a new part:

Section 9-4-5701. This part shall be known and may be cited as the
"Transparency in Government Act".

Section 9-4-5702. As used in this part, unless the context otherwise requires:

(1)

(A) "Expenditure of state funds" means the expenditure of all
appropriated or nonappropriated funds by a state entity from the state
treasury in forms including, but not limited to:

(i) Grants;

(ii) Contracts;

(iii) Subcontracts;

(iv) Tax refunds, rebates or credits;

(v) Payments made through economic and incentive
programs operated by the department of economic and
community development, the department of labor and workforce
development, the department of agriculture and the Tennessee
education lottery corporation; and

(vi) Expenditures from the revenue fluctuation reserve;

(B) "Expenditure of state funds" shall not mean the transfer of funds between two (2) state agencies or payments of state or federal assistance to an individual; and

(2) "Searchable web site" means a web site that allows the public to search and aggregate information identified in § 9-4-5703.

Section 9-4-5703.

(a)

(1) No later than January 1, 2010, the department of finance and administration shall develop and operate a single, searchable web site accessible by the public at no cost to access, that includes for each expenditure, information including, but not limited to:

(A) The name and principal location or residence of the entity or recipients of the funds;

(B) The amount of state funds expended;

(C) The type of transaction;

(D) The funding or expending agency;

(E) The budget program source;

(F) A descriptive purpose of the funding action or expenditure; provided that nothing in this subdivision (a)(1)(F) shall be construed as requiring a descriptive purpose to be added to expenditures made prior to the effective date of this act where no descriptive purpose was originally recorded; and

(G) Any other relevant information specified by the department of finance and administration.

(2) The web site shall include the most recent lost revenues report prepared by the department of revenue in accordance with § 9-4-5703. Such report shall be posted within fifteen (15) days of its release.

(3) In complying with this section, an expenditure may be recorded using a unique source code or budgetary reference number; provided, that an explanation of such code or number is included as a link on the searchable web site.

(b) The single web site provided for in this section shall include data for the fiscal year 2009-2010 as it becomes available and each fiscal year thereafter; provided that data shall be available on the single web site no later than thirty (30) days after an expenditure is made during the fiscal year.

(c) All agencies of state government shall provide to the department of finance and administration such information as is necessary to accomplish the purposes of this part.

(d) The single web site provided for in this section shall be linked to the official web site of the state of Tennessee.

(e) Nothing in this part shall require the disclosure of information which is considered confidential by state or federal law, including, but not limited to, confidential information under HIPAA.

Section 9-4-5703. The department of revenue shall prepare or cause to be prepared a report on all provisions of state tax law that reduce state revenue through exclusions, deductions, credits, exemptions, deferrals or other preferential tax treatments. Such report shall be entitled "lost revenue report". The report shall be prepared by October 1 of each year and shall be submitted to the governor, the speaker of the senate and the speaker of the house of representatives. The department of

revenue may prepare and submit supplements to the report at other times of the year if additional or updated information relevant to the report becomes available. The report shall include, for the previous fiscal year, the department's best estimate of the amount of state revenue that would have been collected but for the existence of each such exclusion, deduction, credit, exemption, deferral or other preferential tax treatment allowed by law. The department of revenue may request the assistance of other state agencies as may be needed to prepare the report. The department of revenue is authorized to require any recipient of a tax incentive or tax expenditure to report to the department such information as requested so that the department may fulfill its obligations as required by this section. The department of revenue may require this information to be submitted in an electronic format. The department may disallow any future claim of a person for a tax incentive due to its failure to file a report as required under the authority of this section. The department may consult with the department of finance and administration to develop a reporting system to obtain the information requested in a manner that is the least burdensome on the taxpayer.

SECTION 2. This act shall take effect July 1, 2009, the public welfare requiring it.